

ISSUE BRIEF

VOTE SOLAR ACCESS & EQUITY ADVISORY COMMITTEE

Recommendations on Automatic Qualification
and Community Engagement for State
Policy-Enabled Low- and Moderate-Income
Community Solar Programs

By: Brandy A. Hyatt
Edited By: The Vote Solar Access
& Equity Advisory Committee
Designer: BF Studios



VOTE SOLAR



ABOUT VOTE SOLAR

Vote Solar is a nonprofit that advocates for clean energy in legislative and regulatory arenas at the state level. Our mission is to achieve a just and equitable transition to 100% clean power across the U.S. by 2050, with a majority of our energy coming from solar. We work to repower our communities with sunshine and build a thriving clean economy with affordable solar energy for all.

ISSUE BRIEF SUMMARY

The goal of the *Vote Solar Access & Equity Advisory Committee Recommendations on Automatic Qualification and Community Engagement for State Policy-Enabled Low- and Moderate-Income Community Solar Programs* brief is to present two program implementation solutions for state policy-enabled community solar programs designed to benefit low- and moderate-income communities. The recommendations in this brief give potential solutions to reduce program implementation barriers, thus expanding solar deployments for communities that typically do not have easy access to solar energy.



ABOUT THE ADVISORY COMMITTEE

The Access & Equity Advisory Committee (AEAC) is composed of clean energy experts and clean energy providers who are delivering benefits to underserved communities, policy analysts, and LMI solar providers. The AEAC was created and led by Vote Solar's Access & Equity Team to address barriers to low-to-moderate income (LMI) solar program implementation. The work includes developing and sharing solutions on how to make solar deployment more accessible and affordable for LMI communities.

Vote Solar established the AEAC with the overall objective to identify implementation issues with LMI solar programs and to offer solutions to

program implementation problems. Over the summer of 2020, Vote Solar staff conducted interviews with 14 experts who are working to make solar's benefits available to LMI families. These interviews resulted in a list of issues that required further exploration. On October 14, 2020, Vote Solar brought the AEAC together in a workshop to discuss two topics that rose to the top of the list: **Automatic Qualification in LMI Community Solar Programs** and **Financial Support for Community Engagement**. The October convening yielded policy recommendations that can streamline state policy-enabled solar programs and make it easier for solar providers to connect with and sign up LMI households for solar programs and benefits.

ACKNOWLEDGEMENTS

Special thank you to the members of the Access and Equity Advisory Committee: Gary Skulnik (Neighborhood Sun), Yesenia Rivera (Solar United Neighbors), Beth Galante (PosiGen), Alexandra Wyatt (GRID Alternatives), Lynn Heller (Climate Access Fund), Denise Abdul-Rahman (NAACP), Daphany-Rose Sanchez (Kinetic Communities Consulting) and Zaid Ashai (Nexamp) for offering their time, expertise and support to the AEAC and the policy brief. Additionally, thank you to my colleagues, Olivia Nedd, Policy Director (Vote Solar) and Melanie Santiago-Mosier, Managing Director for Access & Equity (Vote Solar) for their ongoing support, teachings and support to spearhead the AEAC going forward.



INTRODUCTION

In recent years, states and communities across the country have made significant progress in expanding clean energy policy. Nearly 40 states have Renewable Portfolio Standard (RPS) policies or non-binding renewable energy goals in place (AWEA).¹ Multiple states have enacted other policies targeting a carbon-free future. But increasingly, it is becoming clear that clean energy policies have not benefited everyone equitably. A growing trend among states and communities is to consider ways to make the transition to a clean energy future more equitable and just. A critical component of an equitable clean transition is ensuring solar energy and its many benefits reach low- and moderate-income (LMI) communities. Currently, 14 states have LMI community solar programs and 7 states have single-family LMI solar programs (Low-Income Solar Policy Guide).² These programs may include special carve-outs for LMI participation in community solar, special incentives for LMI families to receive solar installations on their homes, energy efficiency upgrades for the home and more.

One goal of LMI solar programs is to ensure that the road to 100% clean energy includes everyone,

not just the wealthy. While solar has historically been seen as a costly energy alternative, with advancements in technology and solar component prices dropping, solar has become an increasingly affordable alternative to dirty electricity for many families and can even reduce their energy bills significantly. However, barriers still exist for LMI households, which can be dismantled by thoughtful policies and programs.³ But in addition to good policies, successful programs require smooth implementation to ensure the benefits of solar reach those for whom they are intended. Unfortunately, LMI solar programs are not immune to issues of bureaucracy, systematic racism and classism deeply rooted in the United States governing system. These challenges lead to uneven program implementation, program hiccups, and ultimately solar benefits not being maximized for the families who need them most.

Across the country, LMI households suffer from a high energy burden, which can force some families to choose between paying their utility bill or other life necessities. Energy burden refers to the percentage of a household's income that is spent on energy costs.

¹ "Renewable Energy Explained: Portfolio Standards." U.S. Energy Information Administration. 2019, <https://www.eia.gov/energyexplained/renewable-sources/portfolio-standards.php>. A renewable portfolio standard or RPS is a policy, or policies, designed to increase the use of renewable energy sources for electricity generation. These policies encourage electricity suppliers to provide their customers with a stated minimum share of electricity from eligible renewable resources.

² "Low-Income Solar Policy Guide." GRID Alternatives and Vote Solar. 2020, <https://www.lowincomesolar.org/>. Reference the Low-Income Solar Policy Guide for a list of state-enabled low-income single family and community solar programs.

³ "Low-Income Solar Policy Guide: Unlocking Participation." GRID Alternatives and Vote Solar. 2020, <https://www.lowincomesolar.org/why-act/unlocking-participation/>. Reference the Low-Income Policy Guide for ways to unlock participation in low-income solar programs.

FIGURE 1. Median low-income (< 200% FPL) energy burdens by region (red) compared to median energy burdens by region (purple)

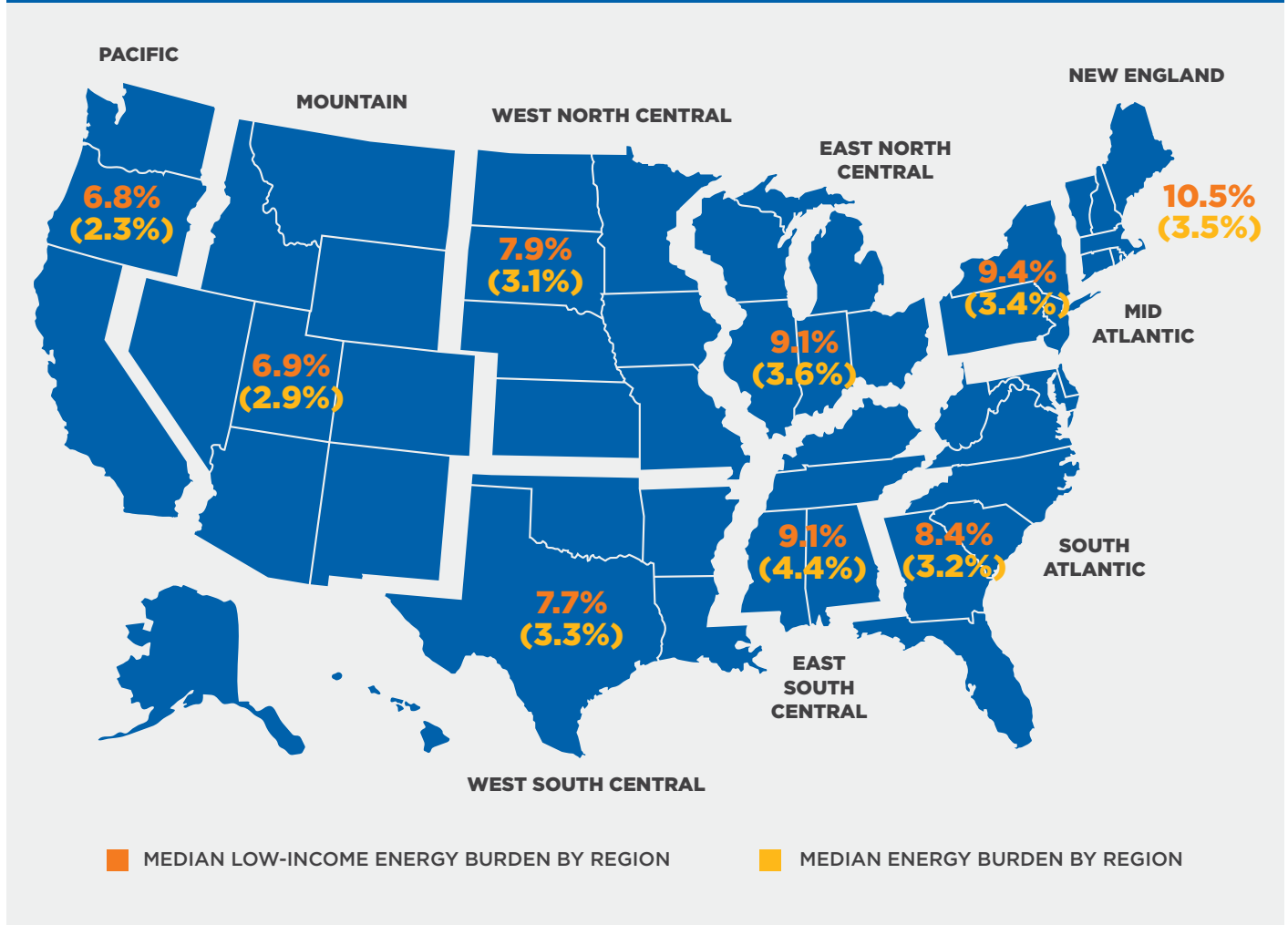


Figure 1 above depicting energy burdens by region. Adapted from *How High Are Household Energy Burdens? An Assessment of National and Metropolitan Energy Burden Across the United States*, American Council for an Energy-Efficient Economy (ACEEE).

The map above shows the energy burden faced by low-income households, as compared to the energy burden experienced by median-income households by census region.⁴ High energy burdens hit low-income households the hardest. These burdens are associated with increased stress, negative health impacts, and cycles of poverty. Those with disproportionately high energy burdens include, but

are not limited to, African American and Hispanic households, renters, older Americans, and those residing in affordable multifamily buildings. Participation in solar programs can decrease energy costs and ease energy burden, but only if the programs are implemented effectively. It is vital that LMI solar programs result in cleaner, lower cost options for energy.

⁴ "How High Are Household Energy Burdens? An Assessment of National and Metropolitan Energy Burden Across the United States." Ariel Dreihobl, Lauren Ross, and Roxana Ayala, American Council for an Energy-Efficient Economy. (2020), <https://www.aceee.org/research-report/u2006>.

AEAC RECOMMENDATIONS

The AEAC believes **Automatic Qualification for LMI Community Solar Programs** and **Financial Support for Community Engagement** are two policy recommendations that can streamline state policy-enabled LMI community solar programs and make it easier for solar providers to connect with and sign up LMI households for solar programs and benefits. Below we outline how to best apply the policy recommendations, as well as lay out potential consequences that could result from adopting these policies.

For this policy brief, our recommendations are specific to **community solar programs**. In particular, we are targeting our recommendations to a community solar subscriber model where customers apply to get their energy from a community solar project administered by a subscriber organization. Although we focus on community solar, these recommendations should be applied to other LMI solar programs focused on single-family or multi-family housing units.

WHAT IS COMMUNITY SOLAR?



The graphic above shows how a typical community solar arrangement works.



AUTOMATIC QUALIFICATION FOR LMI COMMUNITY SOLAR

The AEAC found that one of the biggest barriers to implementing LMI community solar programs is income verification and program qualification. For many LMI solar programs, participating solar providers have to do a lot of leg work to identify and reach out to potential customers. After what can be a long process of building trust and completing stacks of paperwork, some customers who apply for a program will be turned away because they do not meet the eligibility criteria for the program. Often, the process of determining whether a potential customer meets participation criteria is itself a major barrier: in many states or communities with LMI solar programs, households are subject to burdensome and humiliating income verification processes, often having to produce years' worth of sensitive financial documents in order to prove their income-based eligibility. Under these requirements, solar providers often are placed in the difficult position of retaining this sensitive information, which brings with it added compliance and security requirements. Under Automatic Qualification, these types of challenges can be mitigated, programs can be streamlined,

and the benefits of solar can be more effectively shared with LMI families.

“Automatic Qualification” means households eligible for certain income-based assistance programs would automatically be approved to participate in a LMI community solar program without additional paperwork, because they are already certified as eligible for another state-enabled, income-based program. For example, community solar programs could automatically certify customers through an already established state-enabled or federally-enabled program, like the Low-Income Home Energy Assistance Program (LIHEAP). LIHEAP is a federally funded assistance program that provides assistance for citizens that fall within 150 percent of federal poverty guidelines with their home energy bills and gives financial assistance in weatherizing their homes. LIHEAP is often administered by state agencies or local community action agencies. These program administrators, therefore, have the necessary information to easily review or indicate who qualifies for a community solar program.

HOW AUTOMATIC QUALIFICATION WORKS

In Washington DC, the DC Sustainable Energy Utility (DCSEU) uses automatic income qualification for its Solar for All community solar program. Low-income households that receive assistance from programs such as Supplemental Nutrition Assistance Program (SNAP) Temporary, Assistance for Needy Families (TANF), Supplemental Security Income (SSI), or LIHEAP, are automatically qualified for the community solar program. If an income qualified customer learns about the program and wants more information, they can contact DCSEU. A DCSEU representative will follow up with the customer and connect them with a solar provider who is approved to participate in the Solar for All program. This process minimizes customer paperwork and connects solar providers with qualified customers.

Automatic qualification addresses the following barriers:

Reduces Subscriber Acquisition Costs

If customers are automatically qualified for the state-enabled community solar program, it could significantly reduce costs related to acquiring new customers. There instantly is a “pipeline” that brings those who are qualified for community solar directly into the program and set up with organizations that deploy solar. As noted above, without this type of mechanism, community solar providers report significant costs associated with identification and outreach to potential low- to moderate-income subscribers.⁵

Eliminates burdens to gather, retain, and secure income verification information

Automatic income verification and qualification through another state or federal government program decreases burdens and compliance requirements for solar providers. This way, those who are deemed income-qualified for programs such as LIHEAP would also automatically qualify for participation in an LMI community solar program, and ideally be referred to a solar provider for service. Without this type of automatic qualification, solar providers must typically ask potential customers to produce sensitive income information to verify that they qualify for LMI solar. After what can be a lengthy process of gathering information, some potential customers may not meet the criteria; this results in time wasted for the provider and potential customers alike. Further, solar providers must institute additional compliance protocols to ensure sensitive income information remains secure, which adds costs and burden.

Reduces burden on customer to produce documents

As noted above, income verification can be burdensome for potential LMI solar customers. Often, state policy-enabled LMI solar programs require years’ worth of sensitive income information

such as tax returns to prove income-based eligibility. Producing this information is a burden specifically for potential LMI solar participants, and not for other participants, meaning this is an inequitable burden. Moreover, this may be repetitive if an individual has already sent in the necessary paperwork for a different state-enabled program, requiring the individual to go through that process all over again. Automatic income verification via a program the individual has already been deemed eligible for can do away with this burdensome process.

Mitigates trust barrier with customers

When customers are automatically qualified, it could help mitigate trust barriers with community solar providers. If potential LMI community solar customers are already enrolled in another program they already have a foundational knowledge and connection with, then the transition of connecting with the new program will be more seamless.

Critically, automatic qualification does not eliminate the need for touch points and communication between LMI community solar providers, program administrators, and LMI customers. Program administrators and solar providers will need to keep the lines of communication open with potential customers in order to maintain trust, and simply to keep the customers informed about the process and progress. The nature of community solar development timelines can often require LMI customers (and non-LMI customers) to sign up for a project early in the life of the program. But that could be one to two years prior to the time the community solar project is turned on and customers begin to see credits on their bills. Since customers could be waiting up to two years on a project going live, it’s imperative that solar providers stay in contact with all customers, and especially their LMI customers.

⁵ “Analysis of the Fulfillment of the Low-Income Carve-Out for Community Solar Subscriber Organizations.” Lotus Engineering & Sustainability (November 2015), <https://www.colorado.gov/pacific/sites/default/files/atoms/files/Low-Income%20Community%20Solar%20Report-CEO.pdf>.

Potential Unintended Consequence of Automatic Qualification for LMI Community Solar Programs:

While automatic qualification can reduce many barriers around implementation of a LMI community solar program, it also has potential for unintended consequences, especially in the absence of strong consumer protections. It is important for LMI customers to receive a tangible and consistent economic benefit when participating in community solar programs.⁶ Policymakers and program designers faced with budget constraints may have a choice to make: award larger benefits per customer, but to a smaller pool of customers; or, award smaller benefits per customer, to a larger pool of customers. With automatic qualifications it is important not to oversubscribe or over-enroll the program, which could potentially dilute the amount of benefits customers receive. There are many customers who would benefit from automatic qualification for a community solar program, but program design must consider that not everyone can be enrolled at once.

Automatic qualification can also swing in the other direction, with unintended consequences related to under-enrollment. Having a solar program available for low-income customers is not enough: it must also be publicized and adopted by trusted community messengers. If the program is under-subscribed, it can lead to less solar infrastructure being built in the future and less investment in LMI communities.



⁶ "Low-Income Solar Policy Guide." GRID Alternatives and Vote Solar. 2020, <https://www.lowincomesolar.org/why-act/>.

DESIGNATED FINANCIAL SUPPORT FOR COMMUNITY OUTREACH

As discussed above, solar providers participating in LMI solar programs report difficulty in reaching out to, connecting with, and building trust with potential LMI solar customers. The customer sign-up process often necessitates multiple meetings and conversations to educate potential customers about solar, build trust, verify eligibility, and ultimately enroll. This process is time consuming and expensive. Most state LMI solar programs do not include funding for LMI community outreach, but this is an important step in streamlining programs and ensuring LMI families are able to benefit. Under most state-enabled programs, if a vendor receives incentives from the state to deploy solar for LMI communities, that money is allocated for the physical solar projects and customer benefits and doesn't fully cover the cost of engaging with customers. State and federal funding programs should include specific allocations for community outreach and education about LMI community solar options and approved vendors. Targeted community outreach could assist vendors in sharing information about programs and benefits.



Designated funding for community outreach can be used to:

Hire dedicated community outreach staff for solar providers

As with any new product or service, effective marketing is key. But as noted above, community solar providers have reported a number of challenges related to outreach to LMI communities and customers. These challenges include customer distrust, unfamiliarity with solar, skepticism that LMI community solar will be beneficial, multilingual and multicultural communities and families, and more.⁷ Often the targets of scams, and often experiencing promises left unfulfilled, LMI communities often simply do not trust new offerings, especially if they might be “too good to be true.” To overcome these challenges, LMI community solar providers have discovered that having designated outreach staff is critical with designated community outreach staff, solar providers are able to give potential customers a constant point of contact and have a staff member(s) out in the community that can get to know people and break down trust barriers. A designated “point” person(s) can also help to ensure that customers are supported throughout the application and implementation process. This also gives organizations the opportunity to hire staff that are from and live in the community.

⁷ “Analysis of the Fulfillment of the Low-Income Carve-Out for Community Solar Subscriber Organizations.” Lotus Engineering & Sustainability (November 2015), <https://www.colorado.gov/pacific/sites/default/files/atoms/files/Low-Income%20Community%20Solar%20Report-CEO.pdf>.

Engage with community organizations to create a customer acquisition pipeline

Another way the funds could be used, is to engage with LMI community organizations. Instead of a solar provider creating their own pipeline from scratch, they can engage with a community organization to help build relationships in the communities they need to reach. Community organizations already have established a relationship with members of the community and can vouch for the LMI community solar program. This can create a customer acquisition pipeline. This is one way the D.C. Solar for All program, which aims to bring the benefits of solar energy to 100,000 LMI families in the District,⁸ built a customer acquisition pipeline. To reach under-resourced and frontline communities, solar organizations like Solar United Neighbors worked with community organizations and leaders who had trust with the community. They, using their own funds, canvassed neighborhoods, spoke at public meetings, held monthly information sessions across the District, and created direct mail campaigns. These approaches helped with initial outreach, but their best recruitment tool was the actual program participants. Solar United Neighbors was able to offer participants a referral fee for every new member they referred and went with the Solar for All program. The repeated presence of community organizers and the offering of a referral fee built trust where none existed before, and allowed them to create a customer acquisition pipeline.



Potential Unintended Consequence of Automatic Qualification for LMI Community Solar Programs:

Designated financial support for community outreach is critical for reducing barriers related to customer acquisition, but it must be budgeted for appropriately. Including designated financial support for community outreach should not lower the amount of funding available for the physical community solar project itself, nor for ensuring tangible benefits for LMI solar participants. Policymakers must ensure that grants for community outreach don't simply result in shifting money away from solar projects and customer benefits; rather, this support must add additional funds for outreach and organizational capacity (ensuring community organizations understand how solar works, the steps from pre-development to construction, how customers will participate and benefit, etc.).



⁸ "Solar for All." Department of Energy and Environment, Washington, DC. (2021) <https://doee.dc.gov/solarforall>.

CONCLUSION

Solar program implementation for LMI customers can be uneven and more complicated than necessary. The AEAC hopes these recommendations, and more to come in the future, assist in streamlining program implementation and ultimately in ensuring the benefits of solar are spread more equitably. Policymakers and the solar industry must think critically about solutions like Automatic Qualification and Designated Support for Community Outreach to ensure LMI communities do not get left behind in the clean energy transition. Solar is a big part of that transition and the AEAC hopes it can continue to share ways of ensuring that an equitable clean energy future comes to fruition.



VOTE SOLAR